

# THE BOURBON NEWS

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VOLUME XXXII

## GEO. ALEXANDER IS RELEASED ON BOND OF \$50,500

Head of Defunct Bank Arrested on Three Charges—  
Gives Bond

ASSIGNS HIS  
PERSONAL ESTATE

Affairs of Bank Still in Tangled Shape, With Accountants Probing

As a climax to the closing of the bank of George Alexander & Co., in this city, last Tuesday, George Alexander, president of the defunct institution, was arrested Friday night on three statutory warrants, sworn out by Banking Commissioner Thomas J. Smith.

One of the warrants charged Alexander with misappropriating the bank funds, another with making false entries and having made false entries on the bank's books, and in the third he is accused of having made false returns to the State Banking Department.

Information secured from Bank Examiner John B. Chenault and Deputy Commissioner Rankin Revill, caused Mr. Smith to have the warrants issued. He came here Friday afternoon, and, after meeting with the directors, decided upon that course. The warrants were sworn out before County Judge C. A. McMillan and placed in the hands of Sheriff W. F. Talbott. Mr. Alexander was placed under arrest at his home on Pleasant street, shortly after six o'clock, where he was held in the custody of the officials until bond was arranged, which was shortly after 9 o'clock.

County Judge McMillan fixed the bond at \$50,500, \$25,000 on each of the first two warrants and \$500 on the false statement charge. He was discharged from custody after the following had signed his bond: A. H. Hancock, Charlton Clay, O. H. Peddicord, Samuel Clay, John Wiggins, Oscar Taylor, of New York; and Catesby Spears. He appeared before Judge McMillan at the court house Friday evening and through his attorneys, Talbott & Whitley, waived examination and was held to the grand jury, which will convene in this city June 8.

The people of the city and county who reposed their trust in George Alexander will sustain losses that will aggregate more than a quarter million dollars when the bank failed. There has been no demonstration and in the face of the apparent heavy losses, they are not taking it uncomplainingly.

There are seven directors of the bank, including Alexander. They are R. E. Hutchcraft, E. P. Claybrook, J. W. Bacon, W. W. Mitchell, J. M. Brennan and Harry B. Clay. The bank's employees were O. L. Davis, Cashier, and Joseph Mitchell. Mr. Davis has been retained by the Banking Commission to assist in straightening out the bank's affairs.

Undue criticism has been heaped upon the cashier of the institution for accepting deposits on the day the bank was closed. This, however, is explained when it is positively known that Mr. Davis knew nothing of the condition of the bank other than that which his books showed. He has been retained by Banking Commissioner Smith and Examiner Chenault. He declares he knew nothing of several business transactions regarding Alexander's private affairs.

The depositors and other creditors of the bank number approximately one thousand, and notices were printed Saturday by direction of Special Banking Commissioner Woodford and attorney John J. Williams, the latter acting as attorney for the State.

The officers declare it will be several days before the exact conditions are known, and as soon as possible it will be given to the public. Further than this they will give out no statement of the situation and developments, if any, will be very slow until the books are gone over and all of the affairs straightened out by the accountants.

There has been an inclination on the part of many to criticize the directors, charging negligence, but there is, according to reliable information, no grounds for such accusations. One of the directors stated that the bank examiners who would come twice a year would examine the books in the presence of the President and directors and make the report that the affairs were straight.

Suits in large numbers are certain to be instituted and scores have employed counsel and one local attorney has amounts aggregating almost \$100,000 for collection.

The directors are good for every dollar of the loss if it is held by the courts that George Alexander, as President, had their sanction to sign the bank's name to the thousands of dollars' worth of notes he gave for borrowed funds and to the loans he

made to individuals without proper security.

The directors are denying that they gave any such sanction and that they had any knowledge of many of Alexander's largest transactions. The stock of the bank was held to the extent of 51 per cent. by Alexander and the members of his family.

He personally had 187 of the 400 shares, E. P. Claybrook was the next largest stockholder. He had 27 shares. Mrs. Harry B. Clay, as trustee for her sister, Mrs. Frank Clay, had 19 shares and Harry B. Clay had 4 shares.

The holdings of other directors were in blocks of 5 to 10 shares, while the remainder of the stock was held in 1, 2 and 3 shares by small investors.

Under the law the stockholders will be required to put up \$100 a share in addition to its original cost to them, which in the greatest number of instances was \$250 a share.

Depositors who have been very hopeful of securing at least 50 cents on the dollar have about given up, as it has been found the condition of the bank is much worse than first anticipated. There has been some talk of forcing Alexander into involuntary bankruptcy, with a view of getting deeper into the situation.

Mr. Alexander several days ago made an assignment to Samuel Clay, his nephew. Mr. Clay appeared before County Judge C. A. McMillan yesterday and waived his right to qualify as the assignee. There has been no mention of any one to take charge of the assigned estate.

A list of the liabilities and assets of the individual estate of George Alexander were filed Saturday with County Clerk Pearce Paton. The assets were:

House and lot on Pleasant street, \$20,000.

One-third interest in warehouse on Ruckerville pike, \$1,500.

Five hundred shares Northern Life Insurance Co., \$5,000.

Fifteen shares Paris Grand Opera House, Company, \$100.

One share L. M. Rubber Company, \$100.

Four shares Bourbon Fair Association, \$50.

Five shares Chicago and New York Electric Air Line, \$125.

One hundred shares Travelers' Insurance Machine Co., \$300.

Eleven shares Fifth-Third National Bank of Cincinnati, \$2,156.

Trustees' certificate of same, \$250.

Two shares Bourbon Tobacco Warehouse Company, \$250.

Twenty shares Central Land Company, \$200.

One hundred and eighty-nine shares Power Grocery Company of Paris, \$37,800.

One hundred and eighty-four shares George Alexander Bank, value unknown.

Automobile of Mrs. Alexander, surrendered to estate, \$4,000.

Horse and carriage, \$250.

One-third interest in O'Neal Hemp Breaking Machine Company, value unknown.

Household and kitchen furniture, and other personalities, \$3,500.

Cash on deposit in bank, \$3,000.

Total, \$78,836.

The liabilities are as follows:

S. E. Bedford, agent, secured by forty-five shares bank stock, \$10,000.

Fifth-Third National Bank of Cincinnati, 100 shares of bank stock, \$2,500.

Mrs. H. O. Jones, eight shares bank stock, \$2,000.

Mrs. A. P. Alls, of Richmond, \$300.

John C. Current, \$3,000.

E. H. Owings, \$1,000.

George Alexander & Company Bank \$4,000.

Total \$25,500.

Alexander is an endorser for the Power Grocery Company to the amount of \$30,000.

In addition to collateral pledges to secure these notes, 164 shares of the Power Grocery Company stock are collateral on accommodation notes to the bank, something about \$36,000.

### DENIES NOTES WERE TAKEN.

FRANKFORT, KY., May 25.—Absolute denial is made by State Banking Commissioner T. J. Smith of a statement from Paris that State Bank Examiner John B. Chenault took notes belonging to Nick Kriener and refused to return them.

The statement was contained in a Paris dispatch.

"Mr. Chenault knew nothing about any notes belonging to Mr. Kriener," said Commissioner Smith. "He took no notes from a safe deposit box."

"The books of the bank show no such loan from Mr. Kriener to the bank, and the first information this department had of any loan made by Mr. Kriener was about 5 o'clock Tuesday evening when Mr. Alexander admitted negotiating a loan from Mr. Kriener and others, in all aggregating \$61,000."

The notes claimed by Mr. Kriener probably refer to notes pledged to him as collateral security for the loan secured by George Alexander, but Commissioner Smith said neither he nor Mr. Chenault have knowledge of any such notes. What they have they found in the bank's books, and none of them bear indorsements or other indications of belonging to or having been pledged to Kriener. All the notes in possession of the department are part of the bank's assets and found in the usual place for keeping such assets.

Although the effect of the crash was keenly felt, the other banks of the city with ample funds have gone to the assistance of the business men of the city and county. There is little sign of business stagnation although the break was the most disastrous ever experienced in Central Kentucky.

## WM. O. BRADLEY SUCCUMBS AFTER A SHORT ILLNESS

Senior Senator From Kentucky Dies in Washington Saturday

KIDNEY TROUBLE  
CAUSE OF DEMISE

Remains Will Be Brought to Frankfort This Afternoon

William O'Connell Bradley, Kentucky's senior United States Senator, and the most distinguished Southern Republican, passed from coma into death Saturday at 9:45 o'clock. A general refusal of his organs to functionate was the immediate cause of death, but the Senator had been in poor health ever since he entered the upper house of Congress in May, 1900. General kidney and prostatic trouble was his malady. On May 14 last he had announced that poor health precluded his making the race to succeed himself, and that he would retire from public life at the end of his present term, March 4, 1915.

A few minutes after the Senator had made his statement to the press he left for his apartment in Falkstone Court, and while hastening for a street car fell heavily, with the outward injuries of two broken fingers and a gashed forehead. It was feared at the time that the Senator had suffered internal injuries, but none developed at the time, and the resolute old Kentuckian insisted upon resuming his official duties two days after his fall. This was a week before his death. The following day found him slightly relapsed, but he came to his office again on Monday. Wednesday morning, however, found him complaining of feeling badly again. Nevertheless, he went to his office, but during the afternoon, while he was seated at his desk, dictating letters, a painful seizure gripped him and a physician was called.

At first this attack was diagnosed as acute indigestion and, after treatment in his office, the Senator was



Senator William O. Bradley.

taken to his room and went to bed. From that bed he never rose. His condition changed from serious to critical, then desperate. Dr. Lewis A. Walker, his physician, worked over him all Thursday night and Friday morning was able to revive the Senator to some extent, so that he put in a good day. But the hope of the day was changed to sorrow on the part of his bedside watchers when the distinguished patient's kidneys became congested, and his unconscious and delirious condition was no longer dispelled by periods of intelligence. For a time Dr. Walker was able to rouse the Senator's sluggish organ, but he remained unconscious and delirious throughout the day, gradually sinking to death.

At Senator Bradley's bedside when he died were his daughter, Mrs. John G. South, of Frankfort; Senator Ollie James, the colleague of the deceased; Miss Rella Lane, his faithful friend and employee of many years; Herbert May, his nephew; Mrs. Emma Grigsby, a sister of Miss Lane, in whose apartment the Senator lived; his nurse, his doctor and some women of the neighborhood. Others at the bedside were Jerry South, Chief Clerk of the House of Representatives, and his daughter, while awaiting in the apartment were E. H. Lillard, the Senator's Secretary, and Mrs. Jerry South. H. Clay Howard, former Minister to Peru, who was in Washington, reached the house a few minutes after the Senator died.

Many tributes were paid to the memory of the dead Senator in the Senate chamber yesterday. His chair was draped in black. Senator James paid a glowing tribute to his colleague.

The funeral train left Washington yesterday afternoon at 3 o'clock, for Frankfort, where the funeral will be held this afternoon at 3 o'clock.

"WE KNOW HOW"

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